Infrastructure Canada

2009-10

Report on Plans and Priorities (RPP)

The Honourable John Baird, P.C., M.P.
Minister of Transport, Infrastructure and Communities

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Minister's Message

As Minister of Transport, Infrastructure and Communities, I am pleased to present Infrastructure Canada's *Report on Plans and Priorities for 2009-10*. It describes the department's commitment to do its part in strengthening Canada's economy and delivering more modern and greener public infrastructure.

John Baird

In this time of economic uncertainty, Infrastructure Canada is well placed to help improve Canada's economy. From major infrastructure projects such as the Evergreen transit line in Vancouver, to helping small communities of less than 100,000 residents undertake projects like upgrading their drinking water systems or building roads and bridges, Infrastructure Canada will play an important role to build a modern Canada. These important investments in infrastructure will help create jobs for Canadians as well as stimulate our economy, improve our quality of life, and contribute to a cleaner environment. This report outlines the initiatives Infrastructure Canada will undertake over the next three fiscal years with a particular emphasis on the next two years of action to stimulate the economy.

The Government of Canada is speeding up funding for much-needed projects through the *Building Canada* plan and the new funds announced in 'Canada's Economic Action Plan' (Budget 2009); including the Infrastructure Stimulus Fund and the Green Infrastructure Fund. These funds will help provincial, territorial and municipal governments get shovels in the ground and create jobs sooner. We will stimulate the economy, create jobs, cut red tape, reduce duplication and streamline the approval process to speed up the start of necessary infrastructure projects. This will be done while protecting the environment.

Our government understands that a more modern and greener infrastructure is vital to a strong economy, creating jobs and thriving communities – now and over the long term. We remain committed to working with our partners in all levels of government and the private sector, and indeed, all Canadians, to achieve our goals for building a stronger Canada. Infrastructure Canada will get real results for Canadians. We will work to improve Canadians' prosperity, safety and quality of life. These are our priorities; this is our plan.

I invite you to follow our progress as we implement this plan by visiting our Web site at **http://www.buildingcanada-chantierscanada.gc.ca/index-eng.html**.

The Honourable John Baird, P.C., M.P.
Minister of Transport, Infrastructure and Communities

Section I: Overview

1.1 Summary Information

1.1.1 Raison d'être

Infrastructure Canada is responsible for federal efforts to enhance Canada's public infrastructure through strategic investments, key partnerships, sound policies and research. The department exists to ensure that Canadians benefit from world-class public infrastructure.

1.1.2 Responsibilities

Infrastructure Canada was established in 2002 in order to lead the Government of Canada's efforts in addressing the infrastructure challenges of the country. Since then, the organization has evolved to become a centre of expertise for issues related to infrastructure in cities, communities and regions across Canada.

Several Acts provide legislative authorities for Infrastructure Canada. These include the *Canada Strategic Infrastructure Fund Act (2002, c. 9, s. 47) (CSIF)*, which establishes the Canada Strategic Infrastructure Fund program and contains the authorities for contributions to carry out some strategic infrastructure projects. All other programs are made after the Order in Council 2004-325, which provides authority for the Minister for Infrastructure Canada to enter into transfer payment agreements and contracts related to infrastructure initiatives in Canada. The Canada Strategic Infrastructure Fund specifies the eligible categories within which projects can be funded and eligible recipients, and provides the Minister with the authority to enter into contribution agreements. More recent programs such as the Building Canada Fund have their own criteria regarding eligible project categories and recipients.

Infrastructure Canada is part of the **Transport, Infrastructure and Communities (http://www.infc.gc.ca/department/ticp-eng.html)** portfolio[1]. The portfolio addresses several key challenges facing Canada, in particular, those relating to our country's economic growth, the state of the environment, and the safety and prosperity of our communities. These challenges are priorities for the Government of Canada and will continue to guide the activities of the portfolio.

By managing the $33-billion *Building Canada* plan and continuing to manage sunsetting funding programs, Infrastructure Canada coordinates several infrastructure initiatives and continues to build the policies, knowledge and partnerships that support them. It also continues to play a strong role in bringing all orders of government, and others, together to work in partnership to support a stronger Canada. The Government of Canada is working with provinces, territories, municipalities, the private sector and various stakeholders to implement the *Building Canada* plan and the new infrastructure funds announced in Budget 2009 as new infrastructure stimulus funding over two years for short-term infrastructure projects.

1.1.3 Strategic Outcome and Program Activity Architecture

In support of its mandate, Infrastructure Canada has one Strategic Outcome:

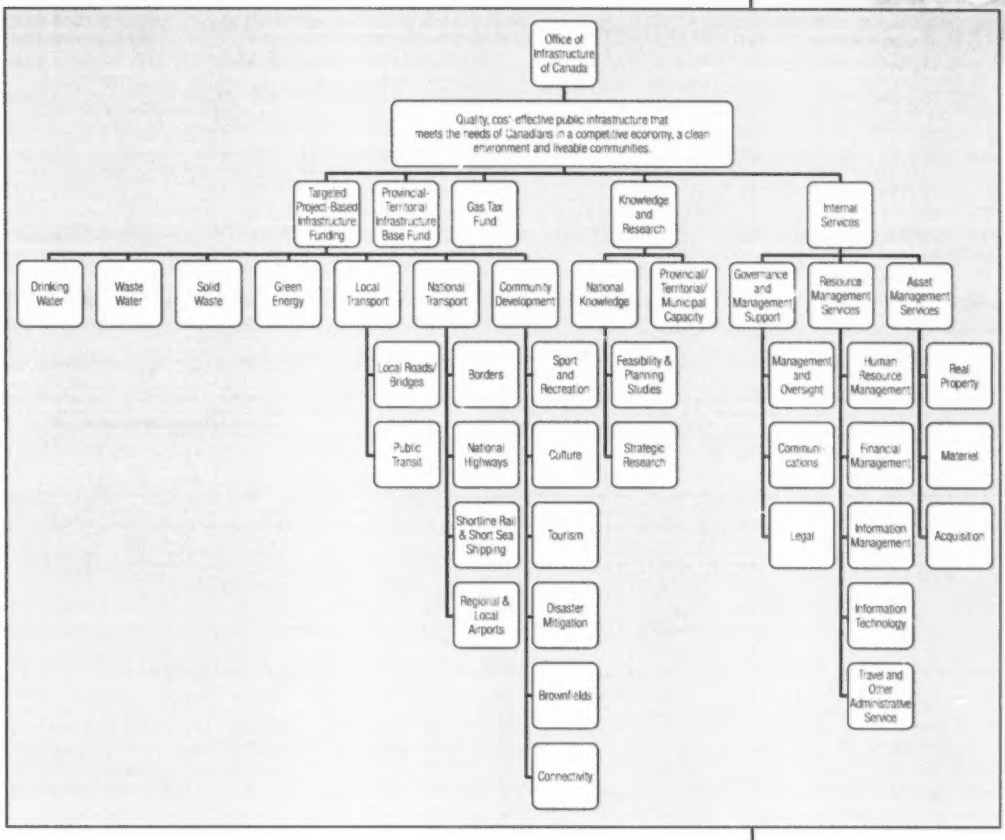
Quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a clean environment and liveable communities.

This strategic outcome reflects the long-term and enduring benefits to Canadians that stem from Infrastructure Canada's mandate, vision and mission. It focuses on the area of direct influence on investments in quality and cost-effective public infrastructure, and represents a clear end-state for the department to strive towards.

Figure 2 illustrates the Program Activity Architecture of the department, which depicts the structure of Infrastructure Canada's program activities, sub-activities and sub-sub-activities, whose aim is to clarify how the organization manages the diverse set of programs and activities under its control to move forward the achievement of its strategic outcome.

1. Transport Canada, the Canadian Transportation Agency and the Transportation Appeal Tribunal of Canada produce their own Reports on Plans and Priorities. Other bodies and Crown corporations within the portfolio prepare their own annual corporate plans.

Figure 2: Program Activity Architecture



1.1.4 Program Activity Architecture Crosswalk

Building on the experience gained in implementing infrastructure programs and given the scope of changes to its responsibilities, Infrastructure Canada sought and received approval from the Treasury Board, in the spring of 2008, to amend its Program Activity Architecture.

Table 1.1 (see page 8) compares the revised Program Activity Architecture with the previous one, in terms of program activities and funding levels. Under the revised Program Activity Architecture, Infrastructure Canada has five program activities:

1. **Targeted Project-Based Infrastructure Funding:** This program activity includes a series of infrastructure contribution programs that reimburse recipients for project-specific costs based on pre-determined eligibility criteria. Project categories vary depending on the specific initiative, but they all contribute to the construction, renewal and/or enhancement of public infrastructure and build infrastructure capacity in partnership with recipients.
2. **Provincial-Territorial Infrastructure Base Fund:** This program activity provides a pre-determined level of base funding to assist provinces and territories with their core infrastructure priorities. An equal annual amount of funding flows in support of each jurisdiction's annual capital plan once accepted by the Minister, except where provinces and territories have agreed to match accelerated federal funding. Payments are made in advance and provinces and territories may pool, bank, or cash-manage these funds in a manner that will afford them greater flexibility in implementing their annual capital plans.
3. **Gas Tax Fund:** This program activity provides municipalities with predictable and long-term funding, enabling them to invest in infrastructure projects that address local needs and help to produce the shared national outcomes of cleaner air, cleaner water and reduced greenhouse gas emissions. The Gas Tax Fund is administered through agreements between the federal government and provincial/territorial governments that set out eligible infrastructure investment categories, and provide recipients with a pre-determined annual allocation based on a per-capita distribution across jurisdictions. Funds are paid to a province or territory, a municipal association, and the City of Toronto. Provinces, territories or municipal associations in turn provide funding to municipalities.

4. **Knowledge and Research:** This program activity helps to ensure that Canada's infrastructure investment priorities and activities include the building, connecting and sharing of applied knowledge and research on infrastructure issues, projects and programs. It targets key gaps in infrastructure knowledge and information, promotes the development of an enhanced evidence base for sound decision making among all orders of government, and contributes to improved measurement of the impacts of infrastructure policy and investment decisions. It supports strategic research capacity and knowledge generation and applications at the national level, as well as cooperation with other orders of government in addressing their unique research and capacity-building needs.

5. **Internal Services:** This program activity promotes excellence in program and corporate management in support of Infrastructure Canada's priorities. Internal services consist of Governance and Management Support (e.g., management and oversight, communications, and legal), Resource Management Services (e.g., human resource management, financial management, information management and technology, and travel and other administrative services) and Asset Management Services (e.g., real property, materiel, and acquisition).

Table 1.1: Program Activity Architecture Crosswalk (in $ thousands)

2009-10						
	New Program Activity 1: Targeted Project-Based Infrastructure Funding	**New Program Activity 2: Provincial-Territorial Infrastructure Base Fund**	**New Program Activity 3: Gas Tax Fund**	**New Program Activity 4: Knowledge and Research**	**New Program Activity 5: Internal Services**	**Total**
Old Program Activity 1: Infrastructure Investments	4,293,578	823,563	1,976,488	–	–	7,093,629
Old Program Activity 2: Policy, Knowledge and Partnership Development	1,800	568	–	19,565	–	21,933
Old Program Activity 3: Internal Services	1,100	–	–	–	18,223	19,323
Total	**4,296,478**	**824,131**	**1,976,488**	**19,565**	**18,223**	**7,134,885**
Reason for Change	Better reflects that the sub-activities are no longer based on individual funding programs but on seven generic investment categories, three of which have sub-sub-activities.	New program activity tailored to its unique governance structures and significant resource levels.	Former sub-activity of Infrastructure Investments is being moved to the Program Activity level. Tailored to its unique governance structures and significant resource levels.	Recognizes that "Policy" and "Partnerships" were too broad to describe a specific component of a discrete program activity.	No change.	

1.2 Planning Summary

1.2.1 Financial and Human Resources

Tables 1.2 and 1.3 summarize the financial and human resources for the organization over the planning period.

Table 1.2: Total Financial Resources (Net Cost of Program in $ thousands)

2009-10	2010-11	2011-12
7,134,885	6,972,268	4,122,670

Table 1.3: Total Human Resources (Full-Time Equivalents)

2009-10	2010-11	2011-12
256	–	–

1.2.2 Program Activities by Strategic Outcome and Planned Spending

Table 1.4 summarizes the expected results of the five main program activities, the planned spending under each activity as well as the alignment of these activities to the Government of Canada outcomes. The overall expected results for these program activities are improved and increased stock of core public infrastructure and improved quality of life and economic opportunities for Canadians. These include cleaner water, safer and faster movement of people and goods on Canada's major land transportation routes and at its borders, reduced greenhouse gas emissions, cleaner air, stronger and healthier communities, greater understanding of the role and significance of infrastructure and infrastructure issues, and support for environmental sustainable infrastructure.

Table 1.5 provides a more detailed breakdown of planned spending over the next three years.

Table 1.4: Program Activities by Strategic Outcome (in $ thousands)

Strategic Outcome 1: Quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a clean environment and liveable communities.

Program Activity	Forecast Spending 2008-09	Planned Spending			Alignment to Government of Canada Outcomes
		2009-10	2010-11	2011-12	
Targeted Project-Based Infrastructure Funding	1,649,240	4,296,478	4,161,494	2,138,578	Strong Economic Growth[1]
Provincial-Territorial Infrastructure Base Fund	655,054	824,131	824,196	0	Strong Economic Growth[1]
Gas Tax Fund	1,013,439	1,976,488	1,974,452	1,974,452	Strong Economic Growth[1]
Knowledge and Research	9,135	19,565	11,167	9,167	Innovative and Knowledge-based Economy[1]
Internal Services	22,877	18,223	959	473	
Total Planned Spending	**3,349,745**	**7,134,885**	**6,972,268**	**4,122,670**	

1. For description of the Government of Canada Outcomes, please access the Treasury Board Secretariat web site at http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/mrrsp-psgrr/wgf-cp-eng.asp.

Table 1.5: Departmental Planned Spending (in $ thousands) and Full-time Equivalents

	Forecast Spending 2008-09	Planned Spending 2009-10	Planned Spending 2010-11	Planned Spending 2011-12
Infrastructure Investments (Old Program Activity Architecture)	2,439,825	–	–	–
Policy, Knowledge and Partnership Development (Old Program Activity Architecture)	15,715	–	–	–
Targeted Project-Based Infrastructure Funding		**1,817,307**	1,655,889	1,891,820
Provincial-Territorial Infrastructure Base Fund		**329,131**	329,196	329,275
Gas Tax Fund		**1,976,488**	1,974,452	1,974,452
Knowledge and Research		**19,565**	11,167	9,167
Internal Services		**18,223**	959	473
Total Main Estimates	**2,455,537**	**4,160,714**	**3,971,662**	**4,205,187**
Adjustments:				
Budget 2009:				
Green Infrastructure Fund		200,000	200,000	200,000
Communities Component of the Building Canada Fund		250,000	250,000	
Accelerating payments under the Provincial-Territorial Base Funding Initiative		495,000	495,000	(329,275)
Infrastructure Stimulus Fund		2,000,000	2,000,000	
Supplementary Estimates:				
Building Canada Fund	390,676	–	–	–
Canada Strategic Infrastructure Fund	103,411	29,171	55,606	46,758
Provincial-Territorial Infrastructure Base Funding Program	326,715	–	–	–
Border infrastructure Fund	45,082	–	–	–
Municipal Rural Infrastructure Fund	–	–	–	–
Gas Tax Fund	24,644	–	–	–
Research, Knowledge and Outreach	2,168	–	–	–
Other				
Collective Bargaining Agreement TB Vote 15	120	–	–	–
Operating Budget Carry Forward TB Vote 22	1,368	–	–	–
Employee Benefit Plan (EBP)	24	–	–	–
Total Adjustments	**894,208**	**2,974,171**	**3,000,606**	**(82,517)**
Net Planned Spending	**3,349,745**	**7,134,885**	**6,972,268**	**4,122,670**
Plus: Cost of services received without charge	2,175	2,286	828	763
Total Departmental Spending	**3,351,920**	**7,137,171**	**6,973,096**	**4,123,434**
Approved Full-time Equivalents	**256**	**256**	–	–

1.3 Risk Analysis

1.3.1 Changing Economic Conditions and Government-wide Priorities

The Canadian economy currently faces extraordinary challenges as a result of global financial volatility. Given current economic circumstances, Infrastructure Canada will implement measures aimed at reducing duplication, streamlining federal processes, fast tracking project approvals and accelerating funding under the *Building Canada* plan and the new infrastructure funds announced in Budget 2009 in partnership with provincial, territorial and municipal governments. This effort includes the identification of specific projects in each jurisdiction that could be advanced to begin construction in the next two years.

The Government of Canada's ability to accelerate infrastructure funding is largely dependent on the ability of provinces, territories and municipalities to identify projects that are ready for construction and to be fast-tracked and to match accelerated federal funding where cost-sharing is required. Successfully accelerating infrastructure funding also depends on the success of the proposed regulatory streamlining measures, particularly for federal environmental assessment requirements. Infrastructure Canada will work closely with its partners to overcome approval and implementation barriers on a sustained basis.

1.3.2 Oversight of Infrastructure Projects

Fast tracking project approvals and accelerating funding under the *Building Canada* plan in partnership with provincial, territorial and municipal governments will place additional pressures on the department's ability to provide adequate oversight of projects. As part of the update of the Corporate Risk Profile in 2008, oversight of infrastructure projects was assessed as the second highest risk to Infrastructure Canada's achievement of its mandate. Existing mitigation measures such as the establishment of accountability mechanisms; e.g., contribution agreements, memoranda of understanding, legal agreements, the creation of oversight or management committees and enhancements to reporting systems (e.g., Shared Information Management System for Infrastructure) have all contributed to reducing the likelihood and impact of this risk.

1.3.3 Organizational Effectiveness

In 2008, the re-assessment of key corporate risks identified human resources challenges as the most significant risk to the department's ability to deliver on its mandate. Although the implemented mitigation measures identified in the 2007 Corporate Risk Profile effectively reduced the likelihood of this risk occurring, the assessment of its potential impact on the department remained high. As such, continued vigilance will be required in mitigating this risk including ongoing implementation of actions outlined in Infrastructure Canada's Integrated Human Resources Plan, providing early support to new employees by offering orientation sessions and distributing the Departmental Orientation Guide to new employees as well as developing procedures and tools to accomplish their tasks.

1.4 Contribution of Priorities to Strategic Outcome

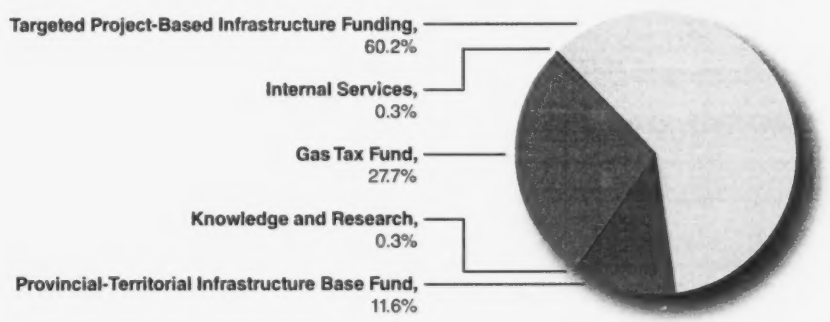
Operational Priority	Type	Links to Strategic Outcome	Description
1. Expedite investments in provincial, territorial and municipal infrastructure projects.	New	SO 1	Infrastructure Canada will implement measures aimed at reducing duplication, streamlining federal processes, fast tracking project approvals and accelerating funding under the *Building Canada* plan and the new infrastructure funds announced in Budget 2009 in partnership with provincial, territorial and municipal governments.
Management Priority	**Type**	**Links to Strategic Outcome**	**Description**
1. Respond to the opportunities for improvement in the Management Accountability Framework assessment of 2008.	New	SO 1	Improve the department's Management Accountability Framework results in support of its Program Activity Architecture.
2. Supporting public service renewal and improving people management.	Ongoing	SO 1	Continue implementing Infrastructure Canada's Integrated Human Resources Plan.

1.5 Expenditure Profile

1.5.1 Allocation of Funding by Program Activity

For the 2009-10 fiscal year, Infrastructure Canada plans to spend $7.1 billion to meet the expected results of its program activities and contribute to its strategic outcome. Figure 3 displays the 2009-10 allocation by program activity.

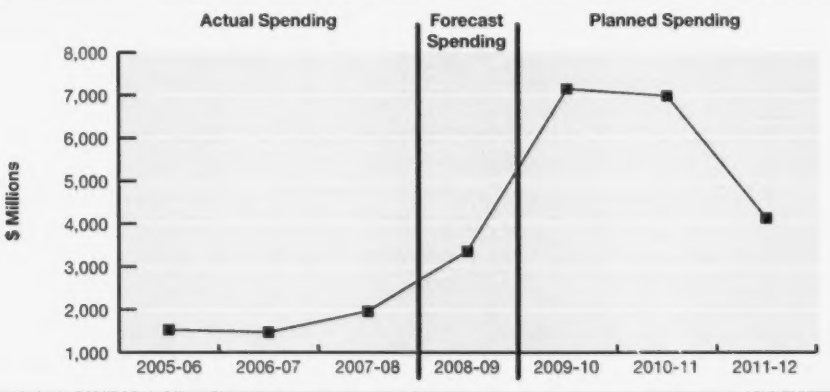
Figure 3: 2009-10 Allocation by Program Activity


Targeted Project-Based Infrastructure Funding, 60.2%
Internal Services, 0.3%
Gas Tax Fund, 27.7%
Knowledge and Research, 0.3%
Provincial-Territorial Infrastructure Base Fund, 11.6%

1.5.2 Departmental Spending Trend

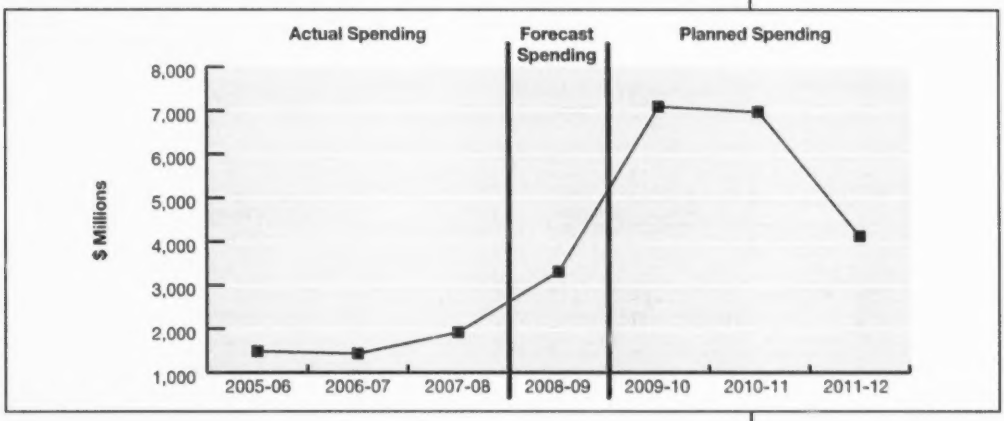
The figures 4 to 6 present Infrastructure Canada's spending trends from 2005-06 to 2011-12.

Figure 4: Spending Trend for Infrastructure Canada



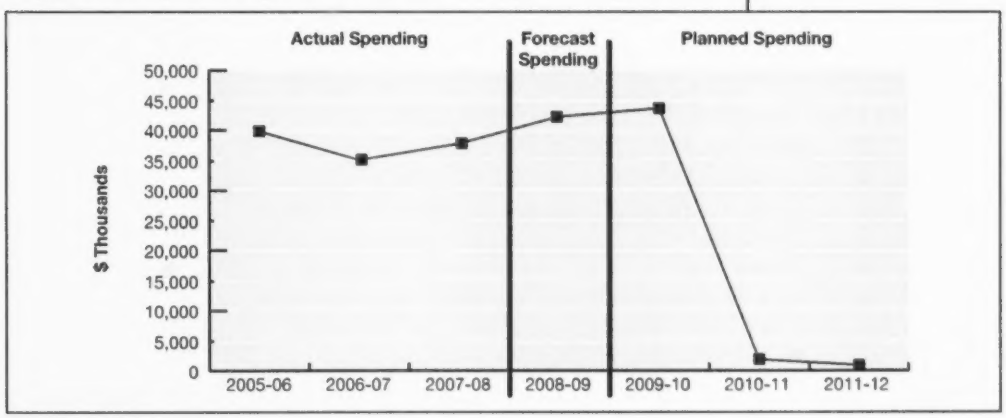
For the 2005-06 to 2007-08 periods, total spending includes all Parliamentary appropriation sources: Main Estimates, Supplementary Estimates, Treasury Board Vote 10, 15 and 22. It also includes carry-forward adjustments. For the 2009-10 to 2011-12 periods, the total spending corresponds to the planned spending including the new infrastructure funds announced in Budget 2009.

Figure 5: Spending Trend for the Contribution Vote



From 2005-06 to 2009-10, the major increases in the Contribution Vote are due to the increase to the Gas Tax Fund and the establishment of two new contribution programs, namely, the Building Canada Fund and the Provincial-Territorial Infrastructure Base Fund as well as the new infrastructure funds announced in Budget 2009.

Figure 6: Spending Trend for the Operating Vote



Infrastructure Canada does not have permanent A-base operating funding. In the past, its operating requirements have been funded from resources earmarked for the administrative costs of major infrastructure programs. For the two largest programs, Gas Tax Fund and other funds under the *Building Canada* plan, no such provision was made. As such, the drop between 2009-10 and 2010-11, displayed in figure 6, reflects that Infrastructure Canada has not yet been provided with operating funds for 2010-11 and future years.

1.5.3 Voted and Statutory Items

Table 1.7: Voted and Statutory Items Listed in Main Estimates (in $ thousands)

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	2008-09 Main Estimates[1]	2009-10 Main Estimates[1]
50	Operating expenditures	37,530	40,283
55	Contributions	2,414,778	4,117,074
(S)	Contributions to employee benefit plans	3,229	3,357
	TOTAL	**2,455,537**	**4,160,714**

1. Infrastructure Canada's budget for contributions has increased significantly from 2008-09 to 2009-10. This is due primarily to new funding received for the Building Canada Fund and the Gas Tax Fund.

Main Estimates can be accessed at **http://www.tbs-sct.gc.ca/est-pre/20092010/p2-eng.asp**.

Section II: Analysis of Program Activities by Strategic Outcome

2.1 Strategic Outcome

In support of its mandate, Infrastructure Canada has one Strategic Outcome, which was approved in May 2008:

Quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a clean environment and liveable communities.

The new strategic outcome reflects the long-term and enduring benefit to Canadians that stems from Infrastructure Canada's mandate, vision and mission. It focuses on the area of direct influence on investments in quality and cost-effective public infrastructure. It also represents a clear end-state for the department to strive towards and for which the measurement of progress is more easily quantifiable.

2.2 Program Activity

The information presented in this section is organized by Infrastructure Canada's Program Activity Architecture for 2009-10, which consists of five program activities. Overall, the program activities' expected results are the construction, renewal and/or enhancement of public infrastructure that contribute to a competitive economy, a clean environment and liveable communities. Infrastructure Canada's Performance Measurement Framework will be completed in 2009-10 and will be the basis for establishing performance indicators and specific targets under each program activity.

2.2.1 Program Activity 1: Targeted Project-Based Infrastructure Funding

Human Resources (FTEs) and Planned Spending (in $ thousands)					
2009-10		2010-11		2011-12	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
98	4,296,478	–	4,161,494	–	2,138,578

Program Activi · Summary: This program activity includes a series of infrastructur ontribution programs that reimburse recipients for project-specific costs based on pre-determined eligibility criteria. Project categories vary depending on the specific initiative, but they all contribute to the construction, renewal and/or enhancement of public infrastructure and build infrastructure capacity in partnership

with recipients. Eligible project costs are defined under the terms of standard contribution agreements between the Crown and a recipient government and/or private-sector entity, and support federal priorities for public infrastructure development through investments in targeted projects.

Planning Highlights: During the planning period, the program will:

- implement measures aimed at reducing duplication, streamlining federal processes, fast tracking project approvals and accelerating funding under the *Building Canada* plan and implementing the new infrastructure funds announced in Budget 2009 in partnership with provincial, territorial and municipal governments;
- expedite specific projects under the of the Building Canada Fund – Major Infrastructure Component identified in partnership with each jurisdiction that could be advanced to begin construction in the next two years;
- work to accelerate approvals of community projects by offering to approve the entire funding envelope under the Building Canada Fund – Communities Component for worthwhile projects provided provinces and municipalities can match the funding;
- continue to oversee the sound administration of the sunsetting programs in cooperation with federal delivery partners;
- continue working with the provinces and territories to identify the projects that will be funded by the remaining uncommitted funds, as well as seeking Treasury Board approval for these projects, if required, and negotiating the related contribution agreements; and
- manage the implementation of Public Transit Fund agreements, including coordination and collaboration with provinces, territories and municipalities for the Fund's administration.

Benefits to Canadians: The expected result of this program activity is to maximize economic, social, cultural and environmental benefits for Canadians, through investments in public infrastructure in a coordinated manner with provincial, territorial and municipal governments, and First Nations. Recognizing the current economic situation, the Government of Canada is providing an important economic stimulus, helping to create jobs for Canadians and contributing to the long-term prosperity of communities by fast tracking infrastructure funding under the Building Canada Fund.

The Building Canada Fund will total approximately $8 billion over seven years, focusing on projects that deliver economic and environmental benefits to all Canadians. In order to provide an economic stimulus, Building Canada Fund spending will be accelerated where jurisdictions agree to provide matching funding over the same period. The Building Canada Fund provides a national framework within which to address regional infrastructure priorities. Investments target the strategic national priorities of core national highway system routes, drinking water, wastewater, public transit and green energy. Other eligible investment priority areas include environmental projects (solid waste management), projects that support economic growth and development (short-line rail and short-sea shipping, connectivity and broadband, tourism and regional and local airports), as well as projects that contribute to the ongoing development of safe and strong communities (disaster mitigation, culture, sports, local roads and bridges, and brownfield redevelopment). Funding is being used to support public infrastructure owned by provincial, territorial and municipal governments and entities, as well as the private and non-profit sectors where appropriate.

2.2.2 Program Activity 2: Provincial-Territorial Infrastructure Base Fund

Human Resources (FTEs) and Planned Spending (in $ thousands)					
2009-10		2010-11		2011-12	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
5	824,131	–	824,196	–	0

Program Activity Summary: This program activity provides a pre-determined level of base funding to provinces and territories for their core infrastructure priorities, balancing the Building Canada Fund's per capita allocations. An equal annual amount of funding is flowed in support of each jurisdiction's annual capital plan accepted by the Minister. These plans outline infrastructure initiatives that support priorities in a given jurisdiction within the scope of eligible federal investment categories. While payments are made to provinces and territories, ultimate recipients could also include local and regional governments or private sector bodies. Payments are made in advance and provinces and territories may pool, bank, or cash-manage these funds in a manner that will afford them greater flexibility in implementing their annual capital plans. Provincial-Territorial Base funding will be accelerated where jurisdictions agree to provide matching funding over the same period.

Planning Highlights: During the planning period, the program will:

- conclude Provincial-Territorial Base Funding agreements with those jurisdictions who have not yet signed their agreement;
- offer to accelerate Provincial-Territorial Base Funding for projects in the 2009 and 2010 construction seasons where provinces and territories are able to cost-share their portion of accelerated funding; and
- ensure sound administration of the Provincial-Territorial Base Fund.

Benefits to Canadians: The *Building Canada* plan provides $25 million annually to each province and from $26 million to $27 million for each territory over seven years. This represents an expenditure of $2.301 billion. The Provincial-Territorial Base Fund provides significant flexibility to provinces and territories to support their core infrastructure priorities, including all of the categories under the Building Canada Fund, as well as non-core national highway system infrastructure and the safety-related rehabilitation of infrastructure.

Recognizing the current economic situation, the Government of Canada is providing an important economic stimulus, helping to create jobs for Canadians and contributing to the long-term prosperity of communities by offering to accelerate Provincial-Territorial Base Funding.

Funding will be matched by provinces (50% federal share) and territories (75% federal share) to maximize investment by all orders of government, but, similar to the Gas Tax Fund, federal funding will be provided up-front and on a regular basis. This ensures additional financial flexibility to provinces and territories as part of the *Building Canada* plan. All provinces and territories will benefit from this investment in modern public infrastructure, particularly smaller jurisdictions, which generally have lower population densities.

2.2.3 Program Activity 3: Gas Tax Fund

Human Resources (FTEs) and Planned Spending (in $ thousands)					
2009-10		2010-11		2011-12	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
15	1,976,488	–	1,974,452	–	1,974,452

Program Activity Summary: This program activity provides municipalities with predictable and long-term funding, enabling them to invest in infrastructure projects that address local needs and help to produce the shared national outcomes of cleaner air, cleaner water and reduced greenhouse gas emissions. The Gas Tax Fund is administered through agreements between the federal government and provincial/territorial governments that set out eligible infrastructure investment categories, and provide recipients with a pre-determined annual allocation based on a per-capita distribution across jurisdictions. Recipients are responsible for providing aggregate reporting to Canada on the use of funds and results achieved on an annual basis. Funded projects fall in one of the following categories: water, wastewater, solid waste, public transit, community energy systems, local roads and bridges, and capacity development to enable communities to design and implement integrated community sustainability plans. Funds are paid to a province or territory, a municipal association, and the City of Toronto. Provinces, territories or municipal associations in turn provide funding to municipalities.

Planning Highlights: During the planning period, the program will:

- manage the implementation of Gas Tax Fund agreements, including the coordination and collaboration with provinces, territories and municipalities for its administration;
- continue the amendment process for Gas Tax Fund extension agreements with provinces/territories to add the new Gas Tax funding committed in Budget 2007 for 2010 to 2014;
- support the signatories in development of their outcomes reports and facilitate the development of a national outcomes report; and
- develop a policy framework for converting the current Gas Tax Fund program to a permanent funding feature (starting in 2014) as announced in the Budget 2008.

Benefits to Canadians: The Gas Tax Fund committed $5 billion from 2005-06 to 2009-10 of funding to municipalities through agreements with provinces and territories and to on-reserve First Nations communities. Budget 2007 added $8 billion in new funding and extended the Gas Tax Fund from 2010 to 2014 at $2 billion per year. Additionally, in Budget 2008, the Gas Tax Fund was made permanent at $2 billion annually starting in 2014. Eligible investments include capital expenditures in environmentally sustainable municipal infrastructure. It also provides funding to increase the capacity of communities to undertake long-term planning. Funding for planning capacity is complemented by a requirement for communities to develop integrated community sustainability plans, which are long-term plans aimed at addressing issues facing cities and communities for their improved sustainability.

The Gas Tax Fund seeks to provide maximum flexibility to provinces and municipalities in terms of its administration, while harnessing a unique collaborative partnership between three orders of government (federal, provincial and municipal) to produce better overall results. For municipalities, this means an up-front flow of stable, predictable funding for projects, and includes the financial flexibility to pool, bank and borrow against the funding for their infrastructure investments. This flexibility is balanced by agreements that set out a rigorous shared accountability regime that enables the Minister to report to Parliament on how the funds are being spent, and in particular how those expenditures relate to Government of Canada priorities for the economy, the environment and prosperous communities.

2.2.4 Program Activity 4: Knowledge and Research

Human Resources (FTEs) and Planned Spending (in $ thousands)					
2009-10		2010-11		2011-12	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
36.5	19,565	–	11,167	–	9,167

Program Activity Summary: This program activity helps to ensure that Canada's infrastructure investment priorities and activities include the building, connecting and sharing of applied knowledge and research on infrastructure issues, projects and programs. It targets key gaps in infrastructure knowledge and information, promotes the development of an enhanced evidence base for sound decision making at all levels of government, and contributes to improved measurement of the impacts of infrastructure policy and investment decisions. This program activity supports strategic research capacity and knowledge generation and applications at the national level, as well as cooperation with other orders of government in addressing their unique research and capacity-building needs. It levers research resources and expertise across various orders of government and stakeholder groups to address the infrastructure challenges and proposed solutions for Canada's economy, environment and communities.

Planning Highlights: During the planning period, the program will:

- support economic analysis and research to improve information on the state and performance of Canada's core infrastructure and to strengthen the information base for decision-making;
- promote the development of effective policies and strategies for dealing with infrastructure issues through feasibility and planning studies;
- address joint federal-provincial/territorial infrastructure priorities and improve the capacity of other orders of government through collaborative projects;
- contribute to international activities related to infrastructure, including participating in conferences, delegations and initiatives, as well as contributing to the Organisation for Economic Co-operation and Development (OECD) Territorial Reviews;
- strengthen multi- and bilateral relationships with national organizations, provinces, territories, non-government organizations, and municipal associations;

- shift from primarily high-level and exploratory research to more applied internal and external research with partners and end-users;
- increase economic analysis of infrastructure issues; and
- strengthen partnerships to better exchange information and knowledge, better advise on infrastructure priorities, leverage resources to produce higher quality research, and address knowledge and data gaps.

Benefits to Canadians: This program activity will improve research, knowledge and capacity-building that will promote innovation and progress in delivering world-class public infrastructure and fill knowledge gaps. It will strengthen the information base for decision making and the development of effective policies, including improving understanding of the state and impacts of public infrastructure, identifying internal and external conditions that shape Canada's infrastructure needs, emphasizing applied research, technical excellence and sharing of best practices to increase the life expectancy of public infrastructure. It will improve understanding of long-term infrastructure issues, such as how to adapt infrastructure to changes in climate, and maintenance and rehabilitation of infrastructure. This includes innovative land use, financing issues, asset management and interdependencies between asset types.

2.2.5 Program Activity 5: Internal Services

Human Resources (FTEs) and Planned Spending (in $ thousands)					
2009-10		2010-11		2011-12	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
101.5	18,223	–	959	–	473

Program Activity Summary: This program activity promotes excellence in program and corporate management in support of Infrastructure Canada's priorities. Internal services consist of Information Technology, Information Management, Financial Management, Human Resources Management, Legal Services, Facilities/Asset Management, Internal Audit; Evaluation, Public Affairs/Communications and Management and Oversight.

Planning Highlights: During the planning period, the program will:

- review its financial systems and processes to improve service levels and facilitate accelerated payment processing; implement new risk-based financial policies, procedures and controls to ensure a sound financial management regime is in place; and continue modernizing departmental facilities to increase the efficiency of functional design and space utilization;
- continue its efforts to realize the priorities outlined in the 2008-09 Integrated Human Resources Plan including:

  Modernization/Enabling Infrastructure: Human Resources planning remains a high priority, and plans will be developed, both at the corporate and branch levels.

  Recruitment: Recruitment to close the gaps in all occupational groups will be intensified, taking into account turnover rates and the need to attract employees with the right mix of skills and experience.

  Retention: Turnover rates will continue to be monitored closely, and exit survey highlights will be shared with management and employees via semi-annual postings on the department's InfraNet. The development of retention strategies will continue.

  Development: Infrastructure Canada will implement an ES Development Program for ES-2 to-4 employees. As well, at least 90% of all employees will have learning plans that are reviewed and updated as required.

  Diversity, Employment Equity and Official Languages: A diversity awareness survey will be conducted, and diversity training related to staffing will be offered. Employment equity targets will continue to be monitored and any gaps will be considered in staffing actions. Infrastructure Canada will continue to ensure it has the capacity to deliver its programs and services to both employees and the public.
- continue to implement its Values and Ethics initiatives to support the 2008-09 Public Service Renewal Action Plan and serve to guide and support its employees in their professional activities, and maintain and enhance public confidence in the integrity of the public service. An Inherent Values and Ethics Risks survey was conducted at the end of 2008 as an initial step to the development of the departmental Code of Conduct;

- continue to evaluate the effectiveness of utilizing interdepartmental resources for departmental access to an Integrity Office as well as for Informal Conflict Management Services through Memoranda of Understanding with Transport Canada and the Department of Fisheries and Oceans;
- continue, through a variety of communications and marketing initiatives, to raise awareness among Canadians about the Government of Canada's accelerated investments in infrastructure for which the department is responsible and also continue to proactively engage media in announcements, and respond to media and public enquiries;
- continue to support the department through the management of briefing coordination, executive correspondence and services relating to access to information requests;
- continue using information technology and information management products and services strategically to support Infrastructure Canada priorities;
- manage the existing Master Service Agreement for shared services, related to information technology, with Public Works Government Services Canada and implement additional shared services.
- promote timely identification of Shared Information Management System for Infrastructure requirements to enable continued support of the *Building Canada* plan and implement further improvements to the reporting tools and easier access to information captured in the system;
- further develop a new GeoPortal to organize all Infrastructure Canada-funded projects by location on a virtual map and provide detailed information on all projects;
- continue application of the Management of Information Technology Security standards to all departmental applications and technical solutions;

- decrease Internal Audit dependence on consultants for the provision of audit services. All audit engagements will be planned, managed and reported on by Infrastructure Canada internal audit resources. Consultants will be engaged only to assist with the examination phase when required. Infrastructure Canada will be compliant with the Treasury Board *Policy on Internal Audit* with regard to the audit committee requirements in that it will have in place an audit committee comprised of three external members and chaired by the Deputy Minister, and effective April 1, 2009, the independence of the Chief Audit Executive will be secured with a direct reporting relationship to the Deputy Minister. Internal Audit will expand its services to include continuous auditing and introduce a robust follow-up procedure for audit recommendations and related management action plans. Professional development of staff will continue and compliance with the Institute of Internal Auditors' Professional Standards will be monitored;
- continue to implement the departmental evaluation policy by providing several results-based management services in different areas, in support of the sound administration of programs, to its internal clients to ensure that Infrastructure Canada's managers obtain timely, strategically focused, objective and evidence-based information on the performance of programs and policies to produce better results for Canadians. Evaluation Services will continue to hire new employees at senior and junior positions to ensure that it has the capacity to deliver its evaluation plan. A new Treasury Board evaluation policy is expected to be released in 2009-10. Based on this new policy and expected guidance and support of the Treasury Board on best practices of evaluation, Infrastructure Canada will review its roles and responsibilities, planned activities and resource requirements for evaluation; and
- continue to promote an integrated risk management approach within the department.

Section III: Supplementary Information

3.1 Financial Highlights

3.1.1 List of Tables

The following five tables are available electronically at the website of the Treasury Board of Canada Secretariat: **http://publiservice.tbs-sct.gc.ca/estsd-bddc/index-eng.asp**.

Table 1: Details on Transfer Payments Programs (TPP)

Table 3: Green Procurement

Table 5: Horizontal Initiatives

Table 6: Internal Audits

Table 7: Evaluations

3.2 Contact Information

- For more information, visit **www.infc.gc.ca** or contact Infrastructure Canada:

  Infrastructure Canada
  90 Sparks Street
  Ottawa, Ontario
  K1P 5B4

- **National information line on infrastructure:** 613-948-1148
  Telephone toll free: 1 800 O-Canada (1 800 622-6232)

- For more information on the *Building Canada* plan, visit **www.buildingcanada-chantierscanada.gc.ca**.